

# **FISCAL NOTE**

## **SB 459 - HB 876**

February 21, 2001

### **SUMMARY OF BILL:**

- Requires the Commissioner of Economic and Community Development, or the commissioner's designee to prescribe the conditions that must be included in an analysis for payments in lieu of ad valorem taxes.
- Requires industrial development corporations to submit an analysis of the costs and benefits of payments in lieu of ad valorem taxes for corporations that a municipality or industrial development corporation is recruiting to locate or expand in Tennessee.
- Prohibits industrial development corporations or municipalities from authorizing corporations to make payments in lieu of taxes for a period greater than 20 years unless both the Commissioner of Economic and Community Development and the Comptroller have made a written determination that such agreement is in the best interest of the state.

### **ESTIMATED FISCAL IMPACT:**

#### **MINIMAL**

Estimate assumes there would be no impact for a minimum of 20 years. Any future impact would depend on whether local governments would choose to enter into payments in-lieu-of-tax agreements for periods exceeding 20 years in the absence of the bill and whether such payments would be less than property taxes that would have been received in the absence of such agreements.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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